

FISCAL NOTE

HB 58 - SB 135

March 1, 2005

SUMMARY OF BILL: Amends the retirement law by authorizing one year of credit for each five years of National Guard service for TCRS members.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$3,602,000 Annual Amortized Cost

Increase Local Govt. Expenditures* - \$505,000 Annual Amortized Cost

**Other Fiscal Impact – Increase Federal/Other Expenditures:
\$904,000 Annual Amortized Cost**

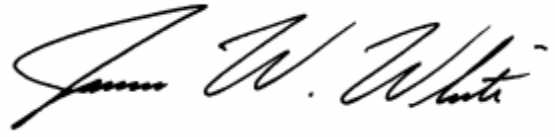
Assumptions:

- A total lump sum liability of approximately \$45,777,000.
- Annual cost to amortize the additional liability over 20 years is estimated to be \$4,877,000.
- TCRS retired and active files compared to the Army National Guard database matched 1,755 records of current and former Army National Guard members.
- The Army National Guard is approximately three times the size of the Air National Guard.
- Administrative costs of \$134,000 in the Division of Retirement and included in first year costs.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director